

## **Management Response and Follow up note**

### **Evaluation of Danish-Bolivian Cooperation, 1994-2016**

*This management response and follow up note summarises the final evaluation report including the main findings, conclusions and recommendations as well as the comments by the Ministry of Foreign Affairs. The evaluation was commissioned by the Evaluation Department (EVAL) and carried out by a team from Nordic Consulting Group and Orbicon.*

#### **Background (by EVAL)**

For over 20 years since the early 1990s Denmark has been a partner in Bolivian development efforts, providing financial and technical support. From the outset the focus has been on poverty reduction and human rights, with indigenous people's rights and livelihoods in the forefront. In this period Bolivia has experienced both significant political and social unrest as well as remarkable economic development. The reduction in the rate of extreme poverty has been particularly noteworthy.

While the 1990s and early 2000s were characterised by considerable political instability and income inequalities, since the MAS government of Evo Morales came to power in 2005 there has been steady progress in terms of growth in national income, at least until the recent fall in the world prices of Bolivia's key commodity exports (oil, gas and minerals). It is estimated that GDP per capita increased from 1000 USD in 2005 to almost 3000 USD in 2015. Social indicators have improved considerably and Bolivia has progressed rapidly towards becoming a lower middle income country. However, adapting to the higher temperatures and irregular precipitation patterns arising through climate change is an increasing challenge, both in the water-stressed high Andes and in the low-lying tropical forests of the Amazon basin.

Providing assistance to key productive sectors, for better environmental management and to strengthen human rights-based approaches to development – particularly in so far as indigenous peoples are concerned – have been the cornerstones of the Danish-Bolivian partnership. Efforts have been made to align external support to government policies for reform and to harmonise assistance with other donors. Support has been provided for public and private sector development actors and stakeholders, as well as for civil society organisations.

Around 120-150 million DKK per year has been allocated as aid to Bolivia. However, given the reduction in Danish development assistance to around 0.7 percent of GNI and the decisions taken in 2015 to focus on fewer countries, Danish-Bolivian development cooperation is coming to an end. The country programme will conclude at the end of 2018. In this context it was agreed to carry out an evaluation of the main results and highlights of cooperation over the past 20 years.

The objectives of the evaluation were threefold:

- to document the **changes and results** achieved through cooperation from 1997 to 2016, with an emphasis on the period from 2002 (i.e. since the previous evaluation);
- to assess the specific **value added** of the Danish approach to supporting sustainable, rights-based development, including the ability to adapt assistance to changing contexts (policies) and the effectiveness of the partnership;
- to provide **lessons learned** that are relevant with respect to promoting sustainable, rights-based development.

### **Evaluation summary (by consultant)**

The evaluation was undertaken from January to August 2017 through a combination of desk studies, key informant interviews as well as fieldwork missions to Bolivia. The main findings are outlined in the following.

#### **Public sector reform**

Overall, the longer-term objectives of the Danish support to the public sector reform process have only been partly achieved. Despite notable progress during the first years of support, the development within this sector gradually stagnated and success stories became mostly isolated cases that did not effectively contribute to overall strategic sector development. Following the approval of the Law on Popular Participation and Decentralisation in Bolivia in 1994, Danida contributed significantly to the expansion and rolling out of the Bolivian state to both geographically and socially excluded groups. However, the intention to strengthen sub-national governments without a truly strong central state and strong fiscal management systems led to continued confusion and conflicts between central and sub-national governments, diminishing state effectiveness and efficiency overall. Later on, attempts were made to correct this by developing additional competencies and capacity building, both at central government and sub-national government levels. These interventions were, however, largely donor-driven and proved not to be sustainable.

#### **Indigenous people**

The support provided by Denmark since 1995 has in a significant manner contributed to the recognition of the rights of indigenous peoples in Bolivia. At the same time, the technical and operative capacities of the National Institute of Agrarian Reform (INRA) were significantly strengthened, which became a crucial supporting factor for an agrarian revolution that made deconcentration and redistribution of land possible. The Danish support to the indigenous people sector also contributed to enhancement of capacities of indigenous organisations and laid the foundation for the design and development of a bilingual education model in Bolivia. Danida also provided basis for improved integrated territorial management, although the results of these efforts were less significant.

#### ***Environmental protection and management***

Overall, Denmark is seen as one of the most important contributors in Bolivia for constantly moving the environmental agenda and focus over the past 20 years. This sector has, however, proved to be very challenging to operate in and it has been difficult to maintain and continue a number of the supported interventions after completion of the Danish support. Most notably, Danida was a front-runner in supporting decentralised environmental management in Bolivia and in developing and piloting new concepts for protected areas management at local level. Danida is also seen as a first mover in demonstrating the feasibility of different types of

renewable energy projects. An important learning from the support provided to the environmental sector is that although the Danish programmatic approach is considered relatively flexible and opportunity-driven, focusing on locally identified problems and engagement of a broad group of stakeholders, it has still been difficult to “match” the frequent changes in political direction and management/staff positions that have taken place within the supported institutions. This has hampered the sustainability of many interventions.

### ***Agriculture***

Danida has made a significant contribution to developing the capacity of the national, departmental and municipal governments in the agriculture sector and developing national institutions to support small-scale farmers in the country. In particular, small producers, including indigenous people in the highlands, have benefitted from the Danish assistance. A prime indication of the Danish value added is the EMPODERAR-DETI model, which is now institutionalized within the Ministry of Agriculture. The concept, flexibility and participatory approach of this model has made it very appropriate for interventions within poor and remote rural communities all over Bolivia. The model is now being replicated by other development programmes in Bolivia, including by governmental institutions.

### ***Support to education***

Although the specific Danish value added is difficult to assess since the education sector programme has been implemented through a basket funding modality with other development partners, Denmark is recognised for particularly focusing on the recognition of indigenous peoples’ rights and ensuring intercultural bilingual education for all. Denmark played a key role in advocating for developing alphabets and educational material in 19 different languages as well as supporting Indigenous Peoples Educational Councils (CEPOS) to become key actors in the education sector. Denmark is acknowledged as a key player within the sector in emphasising flexibility and for complying with national strategies and applying national systems enhancing ownership of the programme.

The evaluation findings lead to the following main conclusions based on a series of evaluation questions (EQs):

### **Lessons learned from the partnership, including in terms of the SDGs**

There is need for a flexible, adaptive and opportunity-driven programmatic approach with short-term planning cycles and decision points when development programmes are implemented within a complex and constantly shifting political and institutional context. The value-added and sustainability aspects of capacity development interventions should be carefully considered with a particular view to power relations and incentives. The use of a dual approach, working with both government and non-governmental organisations (NGOs) within the supported sectors, is an effective and preferred approach to promote and support multi-stakeholder dialogue and cooperation.

In relation to the Sustainable Development Goals (SDGs), Danish assistance has in particular provided the foundation for Bolivia to make progress within education (SDG 4), affordable and clean energy (SDG 7) and life on land (SDG 15). There has also been Danish contribution towards SDG 1 (poverty) and SDG 10 (inequality). On the other hand, the assistance has been less effective in its support related to gender equality (SDG 5) and justice (SDG 16), mainly due to political and institutional challenges and weaknesses.

### **Responses to changing needs, to policy reforms and to new opportunities**

Danish assistance has demonstrated a relatively high degree of flexibility and ability to adapt to changing contextual circumstances and “windows of opportunities” within Bolivia. The support to renewable energy development as part of the Country Programme 2014-2018 is a good example of how the assistance responded effectively to an upcoming opportunity. Following the enacting of the laws on Decentralisation and Popular Participation in the mid-1990s, a key concern for Danida was to support the implementation of these laws across different sectors. After 2005 and the Paris Declaration, Denmark adopted a particularly strong focus on alignment and harmonisation issues and became a driving force among the development partners in Bolivia in support of improved donor coordination and result-orientation on the one hand, while insisting on stronger ownership and commitment from national counterparts on the other hand.

### **Difficulties in the partnership and how challenges were overcome**

The major challenges in the Danish-Bolivian partnership arose in relation to the institutional support, mainly at central governmental level. Frequent changes in political direction and in management and staff within many of the supported institutions made it very difficult to ensure continuity and ownership of the implemented activities. The use of a “dual approach” (involving both governmental and non-governmental institutions within all supported sectors) has been a particularly effective manner to overcome difficulties in the implementation process.

The involvement of local and non-governmental organisations has provided a diversified platform of project partners, which has been particularly useful both in situations where governmental institutions have been less cooperative as well as where it has been more relevant to work with NGOs (e.g. on social accountability issues). Critical political decisions concerning the direction of Danish development cooperation have also contributed to some difficulties in the Danish-Bolivian partnership and to limiting the impact of the Danish assistance within some areas.

### **Concrete development results from 2002 to 2016**

Important development results have been achieved within all supported sectors during the evaluation period. These include:

- consolidating the processes of decentralisation and public participation as well as provision of identity cards to all citizens;
- ensuring land rights and titles for thousands of indigenous people (a total of 24 million hectares of indigenous community territories between 1998 and 2010, out of which 12 million hectares were directly attributable to the Danish assistance);
- sustainable production and income increases for thousands of poor farmers, mainly through the successful EMPODERAR-DETI model;
- adopting the “shared responsibility” principle as well as various income-generating activities within protected areas, which have contributed importantly to a more sustainable management of the national parks and;
- more and better access to educational services, including for the indigenous population.

### **Development of institutions for production as well as service provision**

One of the most successful areas of the Danish assistance has been the support to development of institutions for sustainable and inclusive production and service provision. Important results have been achieved from these investments such as the EMPODERAR-DETI model (agriculture), COMIBOL-DIMA (environment, mining), INRA (indigenous peoples, land reform) and the Center for Cleaner Production Technologies (CPTS).

### **Main long-term changes achieved**

Danida has contributed to important transformational processes taking place in Bolivia over the past 20 years. In particular, the Danish support to the processes of decentralisation and popular participation, to education (including bilingual) as well as to enhancement of the rights, livelihoods and opportunities of indigenous peoples has contributed to fundamental changes in the Bolivian society during this period. It is characteristic of the support provided to these areas that it has mostly been opportunity-driven and that changes have occurred largely as a consequence of persistent and long-term Danish presence within the supported sectors. It could be argued that this assistance has also contributed to changing of mind-sets, opportunities and interaction among thousands of poor people living within remote local (indigenous) communities.

### **Enhancement of indigenous peoples' rights and livelihoods**

The support provided by Denmark since 1994 has in a significant manner contributed to the recognition of the rights of indigenous peoples in Bolivia. INRAs technical and operative capacities were significantly strengthened, which became a crucial supporting factor for an agrarian revolution that made deconcentration and redistribution of land possible. The support provided to indigenous peoples' also contributed to enhancement of capacities of indigenous organisations and laid the foundation for the design and development of a model for bilingual education in Bolivia.

### **Sustainability of the changes arising from the partnership**

The key long-term changes mentioned above are likely to be sustained. Although some momentum may be lost after phasing out of the Danish assistance, the change processes seem irreversible. Other initial changes, in particular within public sector institutions, have been more difficult to sustain due to the challenges of ensuring institutional capacity, stability, ownership, progress and continuity within these institutional environments. The sustainability aspect should also be linked closely to the high Danish risk-taking profile.

The findings and conclusions from the evaluation lead to the following **recommendations**:

- At global level, Denmark's support to indigenous peoples' groups should remain on the top of the development agenda with a particular view to addressing the role and challenges of these groups in relation to sustainable forestry management.
- Denmark should continue to maintain a high profile as supporter of the presence and participation of a broad range of both governmental institutions and NGOs in development interventions.
- Gender equality is one of the SDGs and should always be approached from both a strategic and an operational perspective in the country programmes, based on a proper analysis of the contextual conditions and opportunities within the supported sectors.
- The possibilities for testing and piloting flexible and adaptive programmatic approaches (e.g. based on the Problem Driven Iterative Approach) should be further explored, as this may lead to more effective interventions, and ultimately better results, in particular in cases where state institutions are unstable.
- The conditions provided for phasing out of long-term Danish development cooperation programmes should allow for more flexibility and a longer timeframes for consolidating results, as well as for planning continued cooperation within areas considered of particular interest and potential.
- The possibility for provision of more targeted support for developing adequate national capacities and framework conditions for renewable energy development through development assistance should be explored in relation to approval of funding for large investments by Danida Business Finance.

## **Management response by the Ministry of Foreign Affairs (MoFA)**

Overall the Ministry of Foreign Affairs welcomes the evaluation and takes note of the main findings and conclusions, which confirm the relevance and impact of Danish development cooperation with Bolivia since the 1990s. While recognising the specificities of the Bolivian development trajectory, some of the lessons learned from the evaluation can provide inspiration for new programmes in other countries, rolling out the development and humanitarian assistance strategy (the World 2030).

As the assistance programmes in Bolivia are nearing completion, the evaluation provides evidence to show that significant progress has been made in a range of sectors where Danida has played an important role. These achievements have been reached in a country where over the past ten years high economic growth rates based on export earnings from the hydrocarbon sector have had a major impact on overall living standards and reduced poverty. Nonetheless, while government policies have focused on increasing growth together with redistribution, the challenge of combining economic development based on natural resource extraction with effective environmental protection and management remains a concern.

Several of the findings and conclusions from the evaluation are particularly noteworthy:

- There has been relatively high flexibility in Danish assistance within a complex and constantly shifting political context;
- Danida has been a driving force in donor collaboration while at the same time insisting on strong ownership and commitment from national counterparts;
- Danida has been seen as a “first mover” and “front-runner” - for example in supporting the rights of indigenous people, in environmental protection and management and in the development of renewable energy - and is recognized for risk-taking and a willingness to enter into complex and uncertain territory.

It is also worth emphasising the notable results identified through the evaluation in terms of, inter alia:

- decentralisation with strengthened local government and public participation;
- consolidation of land rights;
- poverty eradication in many rural communities;
- shared responsibility as a key principle within the management of protected areas;
- improved access to education services.

The outcomes and achievements in the support to indigenous peoples, agricultural development and education are assessed thoroughly in the evaluation, with appropriate findings and conclusions. It is important to learn the lessons from these successful programmes and the evaluation includes observations to this effect. In addition, the recent development of a renewable energy portfolio has laid the foundations for possible future collaboration with Bolivia (with funding by Danida Business Finance).

However, there have been some weaknesses, which are pointed out by the evaluators in relation to the outcomes of support for public sector reforms and environmental management in particular. It is recognized that these sectors have been challenging. In particular, the political context characterised by conflicts between central and sub-national governments and the high turnover of personnel appear to have undermined the sustainability of Danida’s interventions. Improving effective public sector management through institutional capacity building is an outstanding concern in Bolivian development.

The issue of how to confront gender inequalities is partially dealt with in the evaluation. This is a complicated matter, but it would appear that despite good intentions Danida has not played a

very significant role in terms of gender sensitive development initiatives in Bolivia. On the other hand, progress is being made, e.g. through the approval of legislation to prevent and sanction violence against women.

Finally, the recommendations of the evaluation are noted. Although follow up in Bolivia will not be possible in conjunction with the phasing out of bilateral development assistance, there are valuable hints for future global development cooperation efforts. For example, within the context of promoting human rights, democracy and gender equality, the importance of strengthening indigenous peoples' rights (to land, to education services, etc.) is emphasised by the evaluation. These concerns can continue to be taken up in various United Nations fora. Furthermore, given the apparent difficulties in ensuring that sufficient attention is paid to gender inequalities, the evaluation highlights the urgency of re-thinking Danida's approaches in order to re-vitalise operational efforts to support and improve women's rights.

The evaluation recommends further emphasis on flexible and adaptive approaches in the provision of development assistance, citing the "problem driven iterative approach" in particular. Such design and programming approaches may be relevant and appropriate in many countries, including fragile states, but it is also important to ensure strategic focus and impact, meaning effective results orientation. The difficulties associated with phasing out development assistance are also noted in the evaluation. As has been emphasised in other studies, it is important to ensure a reasonable allocation of time and resources to support exit processes.

Since Danida Business Finance will continue to play a role in the development of renewable energy in Bolivia, the evaluation includes a recommendation pertaining to support for "adequate national capacities and framework conditions." Building on the initial investment in renewable energy implies continued monitoring of progress and results. This could be structured within the context of support for multilateral initiatives in the energy sector as well as through the direct project support arrangements.

The "dual approach" of working with both governmental and non-governmental (civil society) actors and stakeholders is also recognised and is likely to be applicable elsewhere. Programme design in Bolivia included collaboration with both public and private institutions playing their different roles, e.g. in environmental affairs. Thus, as the evaluation indicates, the range of partners involved in the different sector programmes since the 1990s testifies to the value of pluralist and rights-based approaches to development.